Senate Study Bill 1164 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON SCHULTZ)

A BILL FOR

An Act relating to Medicaid program processes and oversight.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MEDICAID PROGRAM PROCESSES AND OVERSIGHT

Section 1. MEDICAID PROGRAM CLEAN CLAIMS —— PROVIDER RATE CHANGES —— CLAIMS TRACKING.

1. For the purposes of this section, "clean claim" means a claim that has no defect or impropriety including any lack of required substantiating documentation or particular circumstance requiring special treatment that prevents timely payment of the claim. "Clean claim" does not include a claim from a provider that is under investigation for fraud or abuse or a claim under review for medical necessity.

2. a. The department of human services shall require that Medicaid managed care organizations process and pay participating provider claims for each distinct provider type in accordance with the following:

(1) Ninety percent of clean claims shall be accurately paid or denied within fourteen calendar days of receipt by the Medicaid managed care organization.

(2) Ninety-five percent of clean claims shall be accurately paid or denied within twenty-one calendar days of receipt by the Medicaid managed care organization.

(3) One hundred percent of clean claims shall be accurately paid or denied within thirty calendar days of receipt by the Medicaid managed care organization.

b. The date of receipt of the clean claim shall be based on the documented transmission date as reported by the clearinghouse or the Medicaid managed care organization transmission system.

3. A Medicaid managed care organization shall have thirty calendar days from receipt of notice from the department of human services of a change in a provider rate to accurately input the new rate into the Medicaid managed care organization's payment system and to reprocess and pay any affected claims.

4. A Medicaid managed care organization shall provide the

Medicaid managed care organization's participating providers with the functionality to submit and track all claims, claim disputes, claim reconsiderations, and appeals on the Medicaid managed care organization's internet site to facilitate participation in an open and shared participating provider record.

DIVISION II

MEDICAID PROVIDER CREDENTIALING

Sec. 2. MEDICAID PROGRAM —— USE OF UNIFORM AUTHORIZATION CRITERIA AND SINGLE CREDENTIALING VERIFICATION ORGANIZATION.

1. The department of human services shall utilize a request for proposals process to procure the services of a single credentialing verification organization to be utilized by the state in credentialing and recredentialing providers for both the Medicaid managed care and fee-for-service payment and delivery systems.

2. The department shall contractually require all Medicaid managed care organizations to accept verified information from the single credentialing verification organization procured by the state, and to approve as a participating provider any provider approved and enrolled by the department as an Iowa Medicaid provider utilizing the credentialing verification system.

3. The department shall contractually prohibit all Medicaid managed care organizations from requiring additional credentialing information from a provider approved and enrolled by the department as an Iowa Medicaid provider in order to be a participating provider in the Medicaid managed care organization's provider network.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill relates to Medicaid program processes and oversight.

Division I of the bill relates to Medicaid program clean

claims, provider rate changes, and claims tracking. The division defines "clean claim" for the purposes of the division. The bill directs the department of human services (DHS) to require that a Medicaid managed care organization (MCO) process and pay participating provider claims for each distinct provider type in accordance with the following: 90 percent of clean claims shall be accurately paid or denied within 14 calendar days, 95 percent of clean claims shall be accurately paid or denied within 21 calendar days, and 100 percent of clean claims shall be accurately paid or denied within 30 calendar days, of receipt by the MCO. The date of receipt of the clean claim shall be based on the documented transmission date as reported by the clearinghouse or the MCO transmission system.

Division I provides that an MCO shall have 30 calendar days from receipt of notice from DHS of a change in a provider rate to accurately input the new rate into the MCO's payment system and to reprocess and pay any affected claims.

Division I requires an MCO to provide the MCO's participating providers with the functionality to submit and track all claims, claim disputes, claim reconsiderations, and appeals on the MCO's internet site to facilitate participation in an open and shared participating provider record.

Division II of the bill relates to the use of uniform authorization criteria and a single credentialing verification organization by the Medicaid program. The division requires DHS to utilize a request for proposals process to procure the services of a single credentialing verification organization to be utilized by the state in credentialing and recredentialing providers for both the Medicaid managed care and fee-for-service payment and delivery systems. DHS shall contractually require all MCOs to accept verified information from the single credentialing verification organization procured by the state, and to approve as a participating provider any provider approved and enrolled by the department

as an Iowa Medicaid provider utilizing the credentialing verification system. DHS shall also contractually prohibit all MCOs from requiring additional credentialing information from a provider approved and enrolled by the department as an Iowa Medicaid provider in order to be a participating provider in the MCO's provider network.